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Facts about Store Development 1980

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Executive Overview

For the past several years, store construction trends in the supermarket industry have remained on a fairly stable course in spite of general business instabilities and the decrease of total new construction volume.

In order to track food industry data, FMI conducts an annual survey of food retailers. From this survey it was found that in 1980 the typical supermarket was constructed for a cost of $51.72 per square foot. Of this, approximately $20.00 was for equipment, fixtures and decorations and $30.00 was spent on the building itself excluding the cost of the land, (see page 5). The average size of a new store reached an all time record in 1980, 33,000 square feet. Since 1976, the size fluctuated between 27,000 and 29,000 square feet, (see page 4). This is reflected in the large number of super stores being built. Fifty-four percent of all supermarkets built in 1980 were super stores, (see page 2).

The average remodeling cost for an existing store was $300,000 per store. Remodeled stores typically received larger nonfood areas, plus new delicatessen, wine and bakery departments, (see page 6).

The size, type and number of new stores constructed are greatly affected by population changes. An analysis of 1980 census reveals sharp growth in the population in the South and West.

Not only are economic conditions and population changes affecting retailers' construction plans, but choice of store types is also beginning to dramatically influence the look of the supermarket shopping place for the 80s.

Because the idea of alternative store types is taking hold, retailers are conducting more research to optimize their investment. Closer scrutiny is being paid to new locations and consumer concerns, as well as demographics and the business climate.

Reactions to the present business situation are varied. Although some plans have been halted, slowed or modified, others continue as planned since arrangements were made before any change greatly affected the economy. Many retailers have even self-financed the development so as to be able to continue on schedule.

Food Marketing Institute, a non-profit trade association, conducts programs in research, education and public affairs on behalf of its members—retailers and wholesalers from corner stores to supermarket chains—and their customers. FMI membership includes food chains, independent grocers, voluntary wholesalers and cooperatives in the United States, Canada and about 30 foreign countries.

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Introduction

High interest rates, tight money and adverse economic conditions have made construction a volatile industry. The physical volume of all new construction in 1980 declined about 10 percent from 1979. The Department of Commerce projects a recovery in 1981 of about eight percent. Paralleling this decline, construction unemployment rates have risen from 10.2 percent in 1979 to 14.2 percent in 1980.

The Department of Commerce forecasts that as material demand grows in 1981, overall construction prices will rise at an even faster rate than in recent years. According to *U.S. Industrial Outlook, 1981,* there are several factors which will increase costs in the construction field in 1981 and 1982:

- negotiated wage rates for most construction trades which have often exceeded the past voluntary wage guidelines and the national averages
- high cost of financing
- increasing land cost
- compliance with government regulations
- material costs which should rise after seriously depressed or experience small price increases during 1980 slump.

In the shopping center area, developers of suburban centers are beginning to encounter several difficulties, including a shortage of mortgage money; shortage of attractive sites; decline in housing construction; and a trend among owners and lessees to remodel and continue using existing facilities. The primary source for shopping center financing in the past has been insurance companies, but now these companies are experiencing a sharp reduction in the availability of investment funds. The insistence of some lenders to be equity participants in the center is another contributing factor to the financing problem.

Supermarket owners considering new construction also have been affected by the lack of new developments. One retailer commented:

> "The cost of money has not affected our decisions as much as it has the decisions of developers, who play a big part in our expansion plans. They seem very reluctant to move ahead with the current (interest) rates as high as they are. I believe it affects the short run much more than the long-term picture."

The *U.S. Industrial Outlook* states that by 1985 major improvements in construction industry productivity should occur because of improved use of industrialized techniques both on and off the site. This should help offset rising costs for the major components of construction.

In this report, trends in supermarket construction will be presented first. From there, the report will move to the background conditions against which the industry must operate, including general business indicators and demographic trends. This last section will provide perspective on supermarket trends and compile a number of useful statistical tables.

Trends in Store Construction

This section presents the results of an annual survey of food retailers conducted in January 1981 by FMI. The survey was developed to track store development costs and trends during 1980. In 1981, 257 companies operating 13,588 supermarkets responded to the questionnaire. In this study, supermarkets are retail food stores with at least $1 million in annual sales.

General Supermarket Activity

First, a general picture of supermarket activity will be presented. The 1980 rates for both new store construction and store closings decreased slightly from 1979. However, the rates have remained relatively constant for the past several years. In 1980, 4.4 percent of all supermarkets in operation were new that year. The trend for the years 1976 through 1980 is presented in table 1.

Table 1

Percentage of Stores Opened or Closed 1976-1980

	Supermarkets Opened	Supermarkets Closed
1980	4.4%	4.2%
1979	4.9	4.8
1978	4.1	4.4
1977	4.2	4.7
1976	3.6	5.5

In 1980, 54 percent of new stores built were super stores, whereas 90 percent of the stores closed were conventional supermarkets (see table 2). For this survey super stores were defined as supermarkets with over 30,000 square feet in total area; conventional supermarkets were stores with under 30,000 total square feet; combination stores were stores with over 30,000 total square feet and at least 25 percent of their area devoted to general merchandise.

Table 2

Percentage of Store Activity in 1980 by Type of Store

	New	Remodeled	Closed
Total	100.0%	100.0%	100.0%
Conventional Stores	33.7	73.6	89.9
Super Stores	54.2	7.6	7.3
Combination Stores	8.5	4.4	0.2
Warehouse Stores	3.3	13.2	0.9
Limited Assortment Stores	0.3	1.1	1.7

When asked to name important changes occurring in new and remodeled supermarkets, retailers suggested a variety of trends. But, as one retailer commented, a common thread throughout was a move toward "larger stores with more service departments and scanning." The two most popular departments were the delicatessen and the bakery.

Increased size is accompanied by the need for increased productivity and volume. Installation of energy conservation measures and scanners and better training of personnel are helping increase productivity. Retailers commented that remodeling renewed interest among employees and customers alike, increasing both volume and profits. This was still true even two years after a store was remodeled. For example, Table 3 shows that 58 percent of the retailers responding think new and expanded departments are a trend in new and remodeled stores.

Table 3

Important Changes and Trends in New/Remodeled Supermarkets

	All Retail Companies	Retail Affil.		1980 Retail Sales (in millions of dollars)					
		Chain	Inde-pendent	Under $10	$10-30	$31-100	$101-250	$251-500	$501+
All Companies	112	69	43	4	19	38	12	22	17
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
New/Expanded Departments	58.0	55.1	62.8	25.0	63.2	60.5	41.7	63.6	58.8
Energy Mgt./ Conservation	17.9	26.1	4.7	—	5.3	5.3	33.3	36.4	29.4
Larger Super-markets	10.7	13.0	7.0	—	10.5	10.5	—	18.1	11.8
Scanning	15.2	15.9	14.0	25.0	5.3	21.1	16.7	9.1	17.6
Create Nicer Equipment	4.5	4.3	4.7	—	—	5.3	—	13.6	—
Increased productivity	8.9	7.2	11.6	25.0	10.5	7.9	8.3	4.5	11.8
Miscellaneous	26.8	30.4	20.9	25.0	21.1	21.1	41.7	27.3	35.3

Contrary to the trends toward larger stores come the trends toward fewer services and lower priced merchandise in conventionally sized stores. This has caused a split in marketing approaches. "Flexibility" has now become very important in planning for the future. Because of this, retailers are relying heavily on good planning and better market research in order to fine tune the correct store type and amenities their customers will want.

Size of New Supermarkets

The typical new supermarket in 1981 was 33,000 square feet in total area. Larger companies built the largest stores, typically 35,773 square feet. Table 4 represents the full range of company size.

Table 4

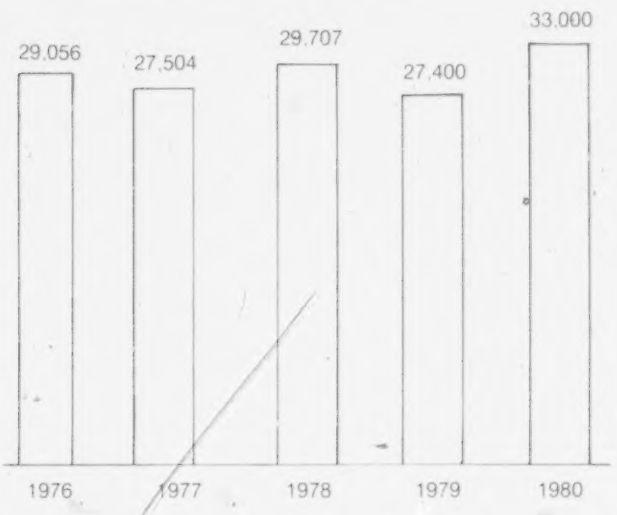
Average Total Square Feet for New Stores

	Median	Middle Range		N=
All Stores	33000	25000	35109	435
Company Sales (in Millions of Dollars)				
Under $10	—	—	—	1
$10-30	18500	17004	23760	9
$31-100	31500	19000	40750	26
$101-250	28511	12000	31000	20
$251-500	30733	25484	32190	69
$501+	35773	25417	35773	310

Table 5 shows the average total size of new stores for 1976 through 1980. Since 1976, the size has fluctuated between 27,000 and 29,000 square feet. In 1980, total store areas reached 33,000 square feet, an all time high, which is related to the larger percentage of super stores opened.

Table 5

Average Size of Total New Store Area in Square Feet



Cost for New Supermarkets

Cost is the biggest concern in planning a new supermarket. In order to assess the costs of new stores in 1980, retailers were asked for typical construction costs for their new buildings.

Table 6 presents building costs exclusive of the cost of the land. The median for building costs alone was $30.00 per square foot. Larger companies spent more per square foot than smaller firms; typical costs ranged from $32.10 for companies with annual sales over $500 million to $25.00 for companies with annual sales less than $100 million.

Table 6

Average Building Cost per Square Foot

	Median	Middle Range		N=
All Stores	$30.00	$26.78	$35.24	419
Company Sales (in Millions of Dollars)				
Under $10	—	—	—	—
$10-30	25.00	19.73	27.02	9
$31-100	25.00	17.56	28.53	23
$101-250	29.03	26.02	35.93	19
$251-500	30.23	27.57	30.23	68
$501+	32.10	26.25	33.47	300

Table 7 shows that the costs for equipment, fixtures and decorations averaged $20.76 per square foot, with 50 percent of the new stores between $20.37 and $22.36 per square foot.

Table 7

Average Cost of Store Equipment, Fixtures and Decorations per Square Foot

	Median	Middle Range		N=
All Stores	$20.76	$20.37	$22.36	433
Company Sales (in Millions of Dollars)				
Under $10	—	—	—	1
$10-30	18.46	13.81	23.52	9
$31-100	17.48	9.17	22.50	24
$101-250	21.99	11.08	22.93	20
$251-500	22.17	18.28	24.63	69
$501+	20.76	20.42	22.13	310

A composite of these two items is shown as total construction costs in table 8. The typical total construction cost in 1980 was $51.72 per square foot. This still does not include any land costs.

Table 8

Average Total Construction Cost per Square Foot

	Median	Middle Range		N=
All Stores	$51.72	$47.08	$55.00	433
Company Sales (in Millions of Dollars)				
Under $10	—	—	—	1
$10-30	43.07	32.84	50.91	9
$31-100	44.83	32.29	57.00	22
$101-250	48.33	34.25	56.45	20
$251-500	53.24	46.35	56.49	68
$501+	51.72	47.23	54.35	300

Leasing Costs

Companies surveyed were also questioned about leasing costs. Supermarket buildings are typically leased by operating companies. They were asked what their average rent per square foot was for 1980. The average annual rent for all stores is $4.40 per square foot. The results are in table 9.

Table 9

Average Annual Rent per Square Foot

	Median	Middle Range		N=
All Stores	$4.40	$3.59	$5.27	359
Company Sales (in Millions of Dollars)				
Under $10	—	—	—	1
$10-30	3.60	2.79	3.63	9
$31-100	4.00	3.12	4.83	27
$101-250	4.23	3.18	5.25	18
$251-500	4.20	2.92	4.24	52
$501+	5.31	3.45	5.31	272

Remodeled Supermarkets

Leaving new stores and turning to remodeled ones, the survey found that the average total capital investment for remodeling a store was $300,000. Companies with annual sales less than $10 million typically spent $80,000 per remodel. However, companies with sales over $500 million typically spent $635,000 per remodel. Table 10 shows the range of costs by size of company.

Table 10

Average Total Capital Investment for Remodeling

	Median	Middle Range		N=
All Stores	$300,000	$198,600	$636,500	619
Company Sales (in Millions of Dollars)				
Under $10	80,000	66,400	210,000	11
$10-30	250,000	107,500	470,000	29
$31-100	175,000	88,000	396,500	67
$101-250	150,000	100,000	365,000	42
$251-500	321,373	100,000	642,500	126
$501+	635,000	225,000	640,000	344

Changes made during store remodeling are presented in table 11. The nonfood department was increased in 35 percent of all remodeled stores, followed by the delicatessen at 23 percent and the wine department at 21 percent. Few companies decreased the size of departments. For every department, companies were also asked if they maintained the size of the department or if the department was not applicable to their store. These results are also included in the table.

Table 11

Increase or Decrease in Size of Departments as a Result of Remodeling

	Non-Food	Pharmacy	Restrnt/ Snackbar	Wine	Liquor	Post Office	Delica-tessen	Bakery	Courtesy Booth
All Companies	202 100.0%	202 100.0%	202 100.0%	202 100.0%	202 100.0%	202 100.0%	202 100.0%	202 100.0%	202 100.0%
New	1.0	5.0	2.0	3.5	3.5	.5	10.9	10.4	3.0
Increase	35.1	5.9	5.4	20.8	5.9	.5	23.3	14.9	14.9
Decrease	2.5	1.0	2.5	1.0	.5	1.0	2.5	2.5	3.5
Maintain	22.3	5.0	5.9	17.3	9.4	3.5	16.3	14.9	21.8
Not applicable	39.6	85.1	84.7	58.4	81.2	94.5	48.0	58.4	57.4

General Business Indicators

General economic trends are excellent indicators for tracking those conditions affecting any single sector of the economy. In strategic planning, those in business must first find how the total economy is behaving and then calculate how these outside factors may influence their own businesses before embarking on long-range plans.

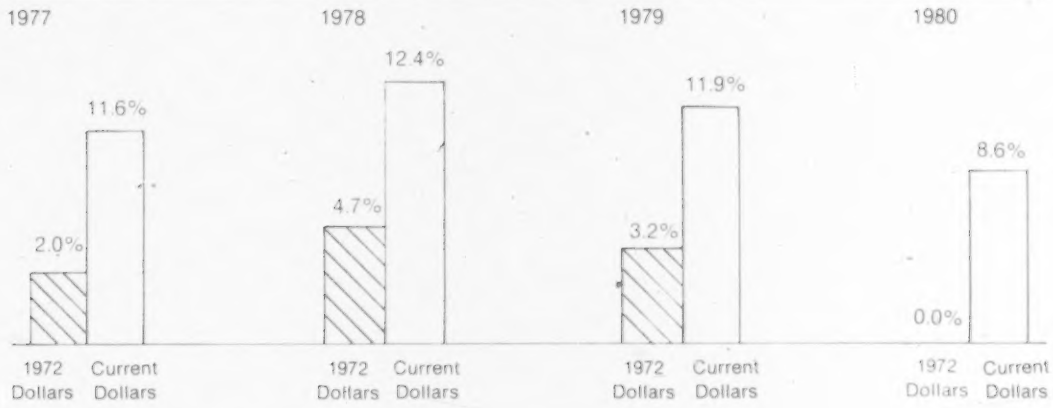
Gross National Product

The most comprehensive economic indicator is the gross national product (GNP), which is the total value at retail prices of all the goods and services produced by a nation's economy. In the United States, GNP is considered the broadest available measure of the nation's economic activity.

Since 1975, there has been a steady decrease in the rate of growth in both real and current dollars GNP (see table 12). In fact, the 1980 real GNP fell from $1,483 billion in 1979 to $1,481 billion in 1980.

Table 12

Gross National Product
Annual Rate Increase



Source: U.S. Department of Commerce

Consumer Price Index

Another general indicator is the Consumer Price Index (CPI). Table 13 shows the average annual change in the CPI for all items, food at home and food away from home. Since 1975, the cost for food away from home has usually increased at a faster rate than food at home. Considering the higher food prices people have to pay at restaurants, it is no surprise to find that in 1980, restaurant sales experienced a poor year for the second year in a row. Grocery store sales outpaced restaurant sales in every quarter of 1980 (see table 14).

Table 13

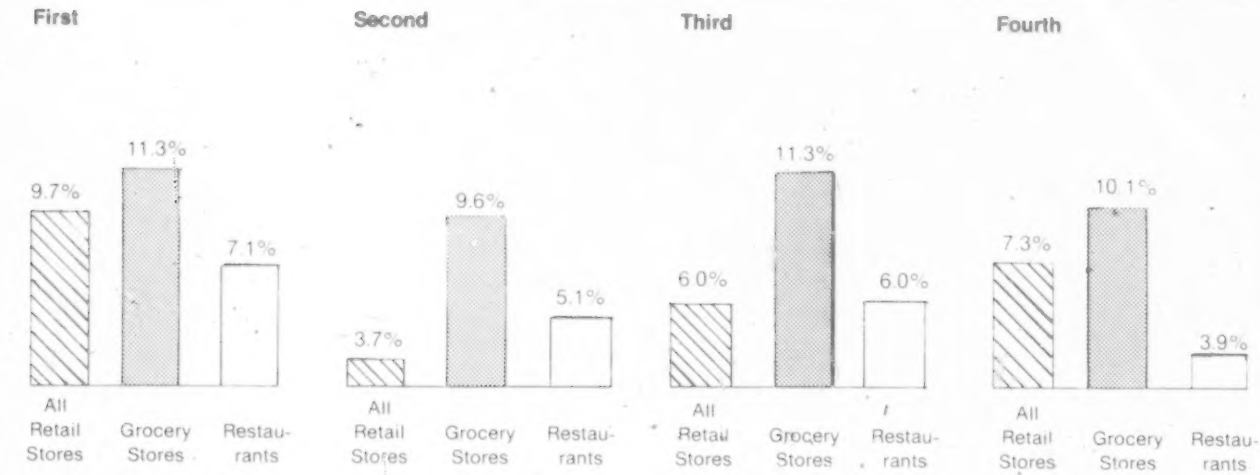
Average Annual Change in the CPI

	1975	1976	1977	1978	1979	1980
All Items	9.4%	5.8%	6.5%	7.7%	11.3%	13.5%
Foot at Home	8.3	2.1	6.0	10.5	10.8	8.0
Food Away From Home	9.3	7.0	7.5	9.0	11.2	9.9

Source: U.S. Department of Labor

Table 14

1980 Sales Increase Over 1979
By Quarters



Source: Monthly Retail Trade

Producer Price Index

The Producer Price Index measures average changes in prices received in primary markets of the United States by producers of commodities in all stages of processing. The sample contains nearly 2,800 commodities in three stages of processing: crude materials, intermediate goods and finished goods. Lumber, asphalt roofing and other commodities involved in store construction represent the intermediate level for materials, supplies and components.

Depressed lumber product prices demonstrate significant changes in the past year. For several wood products, the 1980 index fell to the 1978 level. The greatest increase was for asphalt roofing, a major component for new stores, rising 22 percent over 1979 prices. Table 15 presents the annual average changes for selected construction materials.

Table 15

Producer Price Index
Annual Average Rate Charge

	Materials and Components for Construction				
	1976	1977	1978	1979	1980
All Commodities	4.6%	6.1%	7.8%	12.6%	14.1%
Materials & Components for Construction	6.8	7.7	10.6	10.0	8.7
Prepared Paint	4.5	4.6	5.4	6.3	15.1
Lumber and Wood	16.2	15.0	16.8	8.8	3.9
Lumber	21.0	18.7	16.6	10.0	8.1
Softwood	24.0	20.0	16.3	9.8	9.2
Douglas Fir	18.3	16.2	16.6	13.0	8.0
Southern Pine	24.0	20.7	16.0	6.4	8.3
Hardwood	9.8	13.8	17.7	10.3	3.1
Millwork	10.3	1.0	21.5	8.0	2.4
Prefabricated Structural Members	5.1	13.2	14.1	13.0	3.1
Plywood	16.0	13.5	11.0	6.3	1.6
Metal and Metal Products	5.5	6.7	8.7	14.2	10.5
Iron and Steel	7.5	6.7	10.1	11.8	7.7
Steel Mill Products	6.4	9.6	10.7	10.1	8.0
Finished Steel Products	6.3	9.6	10.7	10.3	7.8
Flat Glass	7.8	7.2	7.5	6.4	6.9
Concrete Ingredients	8.4	6.6	9.4	12.1	12.3
Sand, Gravel	6.7	5.9	8.8	11.5	14.8
Portland Cement	10.0	7.5	9.9	12.7	9.7
Building Block	3.6	6.7	9.8	15.5	10.4
Asphalt Roofing	4.6	7.0	15.4	11.4	22.0

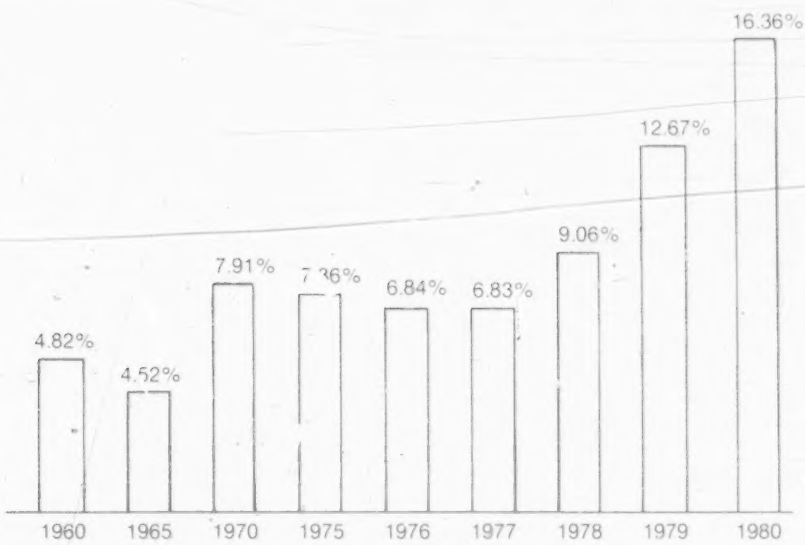
Source: U.S. Department of Labor

Interest Rates

Table 16 shows the average annual prime rate charged by banks for selected years between 1960 and 1980. Forecasts for upcoming years vary considerably. For 1981, predictions range from 15.9 percent to 19.5 percent; for 1982, from 13.7 percent to 18.7 percent.

Table 16

Interest Rates
Average Annual Prime Rate Charged by Banks
(in percentages)



Source: Board of Governors of the Federal Reserve System, Federal Reserve Bulletin, monthly.

Retailers expressed many opposing views concerning the impact of the current trend in interest rates. While some said proposed store development plans suffered no delays, other retailers slowed down plans or even halted them until conditions improved or until creative financing could be obtained. Most retailers said that closer scrutiny was needed to ensure profitability since the high interest rates and higher rents necessitated higher sales volume to stay in the black. One company started financing its own project when a developer could not arrange financing. On the other side of the coin, one executive said that today's deals will be reasonable five years from now.

Utility Costs

Supermarket utility costs have been rising dramatically since the Arab oil boycott of 1973. Today, utility costs average over one percent of sales with the major portion being electricity. The following tables give different price breakdowns. Table 17 gives the average cost of electricity per kilowatt-hour for commercial use. Table 18 shows the average total monthly cost for the schedule in operation January 1, 1980 for three different usage rates in 11 U.S. regions. For example in the New England region, a company with a 100kw demand charge and a 30,000 kwh energy consumption charge would be charged $1,869.47 for that month.

Table 17

Average Retail Electricity Prices
Cents per Kilowatt-hour

Year		Commercial
1973	Average	2.41¢
1974	Average	3.04
1975	Average	3.45
1976	Average	3.69
1977	Average	4.09
1978	Average	4.36
1979	Average	4.68
1980	Average	5.48
1981	January	5.73
	February	5.83

Source: U.S. Department of Energy. *Energy Data Report. Typical Electric Bills — January 1, 1980.*

Table 18

Weighted Average Bills for Commercial Service* January 1, 1980

Demand Charge Energy Consumption Charge	40 kW 10,000 kWh	50 kW 12,500 kWh	100 kW 30,000 kWh
New England	$670.14	$ 816.80	$1869.47
Middle Atlantic	829.39	1034.00	2282.09
East North Central	563.09	695.08	1559.74
West North Central	497.13	690.78	1390.26
South Atlantic	539.14	665.07	1446.52
East South Central	429.34	533.95	1200.64
West South Central	460.23	566.90	1226.38
Mountain	538.03	657.22	1411.45
Pacific	484.35	677.08	1383.85
Noncontiguous	755.21	937.39	2025.76
U.S. Average	589.57	746.24	1624.26

*Price is based on both an energy consumption charge and a demand charge. The demand charge is a charge based on the highest average measured demand in the month during the specified period of time, usually 60 minutes.

Source: U.S. Department of Energy. *Energy Data Report. Typical Electric Bills — January 1, 1980.*

Demographic Trends

Size and number of new stores constructed are greatly affected by the population growth or lack of growth in an area. According to the Census Bureau, the Southern and Western regions are and will continue to increase in population, whereas, the Northeast and North Central regions will continue to experience minimal growth in relation to the other regions. Table 19 shows the percentage of the total U.S. population as it is distributed in four regions.

Table 19

U.S. Population by Region[1]

	1950	1960	1970	1980	1990[2]	2000[2]
U.S.	100%	100%	100%	100%	100%	100%
Northeast	26.1	24.9	24.1	21.7	21.3	20.4
North Central	29.4	28.8	27.8	25.9	25.3	24.4
South	31.2	30.7	30.9	33.3	34.4	35.6
West	13.3	15.6	17.1	19.1	19.1	19.6

Source: U.S. Department of Commerce, Bureau of Census

[1] Northeast: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania.
North Central: Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas.
South: Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Texas, Arkansas, Louisiana, and Oklahoma.
West: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, California, Alaska, and Hawaii.

[2] 1990 and 2000 data were projected in 1975, before the 1980 census.

Although most rapid growth is occurring in the smaller states, the population of several large states is increasing. For instance, Texas, the third largest state by population, and Florida, the seventh largest, are both in the top 10 of the fastest growing states. The population of two other large states, California and North Carolina, has increased over 15 percent between 1970 and 1980, (see tables 20 and 21).

The Northeast is not only the slowest growing region but is also becoming the oldest section of the country. Six out of the seven states with the oldest population are located in the Northeast. The state with the oldest population is Florida with an average age of almost 35 years. The majority of the states with the youngest population are in the West; two are in the South. Utah, has the youngest citizens, with an average age of 24.2 years.

Table 20

Ten Fastest Growing States 1970-1980

Population Rank		Percent Increase
43	Nevada	63.5%
29	Arizona	53.1
7	Florida	43.4
49	Wyoming	41.6
36	Utah	37.9
50	Alaska	32.4
41	Idaho	32.4
28	Colorado	30.7
37	New Mexico	27.8
3	Texas	27.1

Source: U.S. Department of Commerce, Bureau of Census

Table 21

Ten Slowest Growing States 1970-1980

Population Rank		% Increase
—	Washington, D.C.	15.7
2	New York	3.8
39	Rhode Island	0.3
4	Pennsylvania	0.6
11	Massachusetts	0.8
6	Ohio	1.3
25	Connecticut	2.5
9	New Jersey	2.7
5	Illinois	2.8
27	Iowa	3.1
45	South Dakota	3.6

Source: U.S. Department of Commerce, Bureau of Census

The Bureau of Census in the Department of Commerce makes projections or forecasts for the population for 25 or more years into the future through routine tracking. Revisions are usually made every two to four years depending on the schedule of the major 10-year census.

The figures for the last projection, done in 1975, are given below, (see table 22). A word of warning is needed when using projected figures. Even with routine tracking, projections can be quite different from actual results. The note to table 22 shows the inconsistencies which can develop. The next projection will be done one or two years after the 1980 census is completed.

A check when using projections is provided by monthly Current Population Survey estimates. The Bureau of Census continuously collects data from a sampling of the population in order to arrive at a current estimate of growth during the nine years between the 10-year census.

Table 22

1975 Projection of Population Growth by Region Annual Average

	1970-75	1975-80	1980-85	1985-90	1990-95	1995-2000
Northeast	0.16%	0.3%	0.5%	0.5%	0.4%	0.5%
North Central	0.35	0.44	0.7	0.7	0.5	0.4
South	1.6	1.5	1.2	1.1	1.0	0.8
West	1.7	1.3	1.4	1.3	1.1	0.9

Source: U.S. Department of Commerce.

Note: Projections were made in 1975 before the 1980 Census. Following is a comparison of the 1970 to 1980 annual projected growth rate with the actual census results for 1970 and 1980:

	Projected Rate	Actual Rate
Northeast	0.23%	0.02%
North Central	0.4	0.4
South	1.4	1.8
West	1.5	2.2

Projections are also made by the Bureau of Labor Statistics (BLS) for the labor force. The labor force in table 23 includes all civilians classified as employed or unemployed over the age of 16 and excludes inmates of institutions and those in the armed forces.

This is categorized by sex and age. In 1975, BLS projected an increase in the percentage of women in the work force as compared to men. Women from 25 to 54 years old are the fastest growing segment of the labor force in the United States. This group is forecast to grow 45 percent from 1975 to 1995.

Table 23

Civilian Noninstitutional Labor Force by Age and Sex 1975-1995

	1975	1979	1985[P]	1990[P]	1995[P]
Total, age 16 and over	100%	100%	100%	100%	100%
Men	60.0	57.8	55.3	53.8	53.0
Women	40.0	42.2	44.7	46.2	47.0
Men					
16-24	13.1	13.3	10.9	9.2	8.3
25-54	37.3	36.1	36.5	37.7	38.2
55 and over	9.5	8.3	7.8	6.9	6.4
Women					
16-24	10.9	11.1	10.3	9.2	8.7
25-54	23.3	25.4	29.2	32.2	33.7
55 and over	5.6	5.5	5.1	4.6	4.4

[P] Projected data

Source: Monthly Labor Review, December, 1980.

Population trends play a major part in store development. Companies in low growth areas will continue to be very promotional. In these static growth areas there will continue to be more remodeling in order to stay competitive and serve customers. Along this line, some companies in these areas are converting older stores into warehouse stores.

There is also concern over site and store type selection. Retailers say: "Future store types will be closely related to the demographics of the trade area." "Building and remodeling decisions now evolve from accurate evaluations." "Formerly marginal market areas will receive more careful scrutiny." "There is more emphasis on productivity and immediate profits."

Those retailers in growing areas are building new stores. Even here, new situations are arising and types of stores selected will differ according to company philosophy and demographics.

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